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**STATEMENT OF CHAIRMAN JOEL HEFLEY
CHAIRMAN, SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES**

**HEARING ON LONG-TERM PLANNING FOR MILITARY CONSTRUCTION
REQUIREMENTS**

April 10, 1997

The Subcommittee on Military Installations and Facilities has conducted several hearings over the last few weeks examining in great detail the President's FY1998 budget request for the military construction and military family housing programs of the Department of Defense. Today, we will shift our focus toward a more general, but nonetheless, equally serious subject. We will take testimony from the Under Secretary of Defense (Comptroller), John J. Hamre, on the long-term planning process the Department of Defense uses to resource military construction requirements. It is my expectation that the subcommittee will explore both process and outyear funding issues.

During the 104th Congress, and continuing with this session, this subcommittee has expended a lot of effort and study on fundamental installations issues that go beyond the immediate budget submission which may have been before us. Quality-of-life infrastructure, particularly housing for unaccompanied military personnel and military families, and the adequacy of the military services' planning to resolve those serious deficiencies has been one of our principal areas of focus. We have also spent considerable time on the general question of the recapitalization and modernization requirements of military infrastructure generally.

As a result, I think it is fair to say that the Department of Defense and the military services have a well-defined improvements program for troop housing. The Department of the Army has a very clearly defined program to modernize strategic mobility infrastructure by 2003, a program I hope we can keep on track. We have undertaken significant reform in military housing with the

Military Housing Privatization Initiative, but it is still unclear to me whether DOD and the military services have as well defined a strategy to deal with military family housing deficiencies as it does on the unaccompanied side. For the rest of our infrastructure, I am not certain that solid plans, backed up by a stable and dependable resourcing stream, exist.

It is critical for this subcommittee to understand better the Department's planning process for military construction requirements and the adequacy of the resources committed in the outyears of the Future Years Defense Program (FYDP). The adequacy of the planning process is especially important as funds for defense programs become increasingly hard to come by. The added factor is the recently enacted Government Performance and Results Act. Though long-term planning is never infallible, it will clearly need to be strengthened if DOD is to meet its responsibilities under the Act. A balance will have to be struck between unique service processes and guidance from DOD. Perhaps we have that balance now. Perhaps not. This is one of the areas we need to explore in more detail.

Before I yield, I want to address the questions of resources. Members and the Comptroller are well aware of my criticisms of this budget request and I will not repeat them here today. But, I do want to address a point Secretary Hamre makes in his prepared statement about the growth of the services MILCON programs over the course of the current FYDP.

From a historical perspective, we know that outyear projections for the MILCON accounts have rarely been realized. For example, the FY1992 budget projections for the FY1997 MILCON program contained funding levels for the services' military construction accounts that were each in excess of \$1.4 billion. Collectively, we were scheduled to spend \$4.6 billion on those accounts in the current fiscal year. When the FY1997 budget submission actually arrived last February, the request for the services' military construction accounts stood at a combined \$1.6 billion – less than what the Air Force planned to spend alone when budget number for FY1997 were first identified six years earlier. In this year's budget request the Navy military construction account has declined by \$261 million – nearly a third – over the course of planning for FY1998.

A look ahead shows some of the same historic instability. Budget projections for FY2001 have changed significantly over the last two years. From the FY1996 budget estimates to current estimates, the military family housing accounts of the military services have declined by \$495 million – or 12 percent – and the military construction accounts for the services have declined by \$592 million – or 24 percent. The outyear stability in the current FYDP may be there, but history is not on our side.